

GENDER – RESPONSIVE BUDGETING IN SERBIA

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Abstract

The budget is the basic document for financing state functions in every modern state. It is a financial instrument that raises funds through the mechanism of public revenues and systematically spends them to finance public expenditures. The budget is a one-year law that envisages, approves, and allocates all state revenues and expenditures during one budget year. Despite the existence of gender-neutral laws and regulations around the world, people are treated daily on the basis of their gender, and not on the basis of individual needs. It cannot be allowed to depend on one's good will whether the services provided by the public sector, or any other legal entity will be adapted to the needs of both women and men. Gender equality is a challenge, and the introduction of the principle of gender equality and its budgeting is an even greater challenge. Gender-responsive budgeting is an innovation in public finances that broadens the needs of society.

Key words: budget, revenues, expenditures, gender equality, public finances

Introduction

Serbia was one of the first countries to introduce gender-responsive budgeting at the local, provincial, and national levels.

Gender-responsive budgeting is a new tool in public financial management reform trends. It is about an innovation that completely changes the current budgeting practice by relating every budget expense to specific activities or outcomes to be achieved. Until now, line-item budgeting was applied wherein finances were separated from the outcome, but now, with this new tool, it is replaced with program budgeting. This means that what is financed, what the budget users plan to achieve, and what the citizens ultimately get are directly connected in one place.

The most significant change lies in that budgeting is no longer the sole responsibility of the people in charge of finances. Now decision-makers, sector experts, and those in charge must be actively involved in planning, implementation, monitoring, and reporting.

The distinction between sex and gender is essential because, unlike our biological status, i.e., the sex we are assigned at birth, gender is a construct of a specific society at a specific time, very subject to change. Therefore, accepting the difference between sex and gender opens the possibility of changing gender roles, gender regime, and gender order on a theoretical basis. (Jarić, V., Radović, N. 2011.)

Recognizing men's and women's needs in the economy and society makes it possible to recognize those projects that simultaneously contribute to increasing the economic efficiency of operations, accelerating the economy and society development, and reducing gender inequality. Gender-responsive budgeting is the process of budget gendering aimed at establishing a financial link between economic development and gender equality. Gender budget analyses include the analysis of a country's overall macroeconomic

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strategy, the structure of expenses and revenues, and the efficiency in service provision while recognizing the different inputs of men and women in the production and distribution of goods.

Women and girls are more and more often discriminated against than men, paid less for the same type and complexity of work, overburdened with unpaid work at home, suffer physical and sexual violence more often, and are more restricted in utilizing their development opportunities and achieving social security in the market, politics, and society. Gender budget analyses have confirmed that budgets translate and reproduce gender relations and that applying gender budgets allows identifying the consequences and influence suffered by women compared to men. This may improve the efficiency of economic policy and public policy and contribute to breaking unequal power relations in society. (Đurić-Kuzmanović, T. 2014.) Work on gender-sensitive budgeting must be systematic and extensive. It must be well organized and planned, with managers having clear intentions and methods. Gender equality must be introduced by state administration officers and persons specializing in certain areas. The long-term result of this project would be gender equality in labor market programs, gender equality in schools, and gender equality in healthcare. (Stefanović, J. 2007.)

The Role of Gender-responsive Budgeting

Nowadays, women are in an unequal position compared to men. In conditions of poverty and corruption, women and children constitute the most vulnerable part of the population. Therefore, a condition for improving the position of women and achieving gender equality is to make every place creating relations of inequality and discrimination visible. One such place is the budget of the Republic of Serbia, considering that the budget is the critical political decision of every Government and the core instrument of its economic policy. A budget shows the available Government funds for a given year, where they are raised, and how they are distributed in line with the set political goals.

Gender-sensitive budgeting assesses the impact of state budgets on different groups of women and men by analyzing gender-oriented distributions and reviews the implementation of the equal opportunities policy. Gender budget analysis is a model for understanding the cultural patterns and standards set for women and men and their different experiences, indicating the financial connection between the economic development of a national economy and gender equality.

Our country's budget traditionally assumes that the processes of raising and distributing state funds are gender-neutral in terms of men and women. This encourages gender inequality by ignoring the different effects of budget decisions on men and women due to their different gender social roles and power relations. Gender equality is defined by the Law on Gender Equality, which governs the concept, meaning, and policy measures for achieving and improving gender equality, types of planning documents in the field of gender equality and the method for reporting on their implementation, the institutional framework for achieving gender equality, supervision over the implementation of the law and other issues essential for achieving and improving gender equality. (Law on Gender Equality, Official Gazette of RS No. 52/2021.)

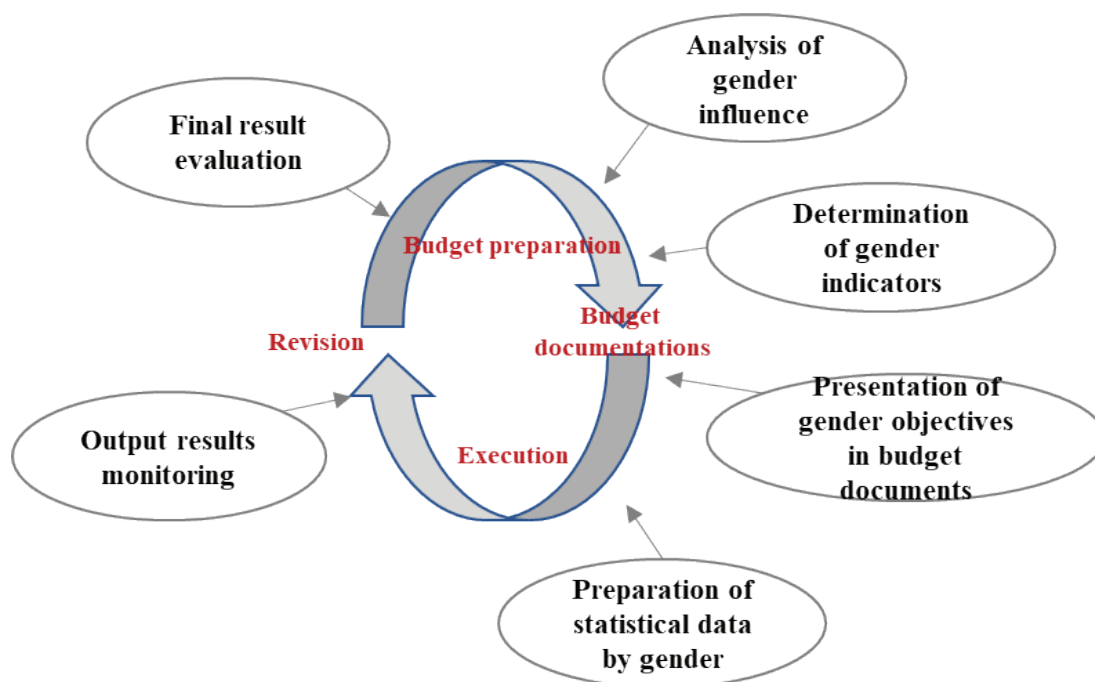
Phases of gender-responsive budgeting

Gender-responsive budgeting includes the following two general phases:

- analysis of the impact of budgets and budgetary policies on women and men and their needs with the aim of defining areas with unequal distribution
- implementation of the gender equality principle in budgeting and budget execution

However, the gender-responsive budgeting process may include as many phases as are there in the budgeting process cycle itself:

- budget preparation or analysis of women's and men's needs and of the status of gender equality in society
- presentation of the draft budget with a proposal of goals for achieving gender equality and planned funds
- budget execution or allocation of funds, and budget execution reporting
- budget revision or assessment of whether the planned goals have been achieved by budget execution (Hrelja, Dž. 2015)



Picture 1. Gender-responsive budgeting phases

Concept and Goals of Gender-responsive Budgeting

Gender-responsive budgeting includes two following general goals:

- improving the status of gender equality in the social community, which contributes to society's democratization.
- achieving many economic benefits, considering that a large part of the population is empowered to participate more effectively in the labor market, which contributes to economic growth.

The goals of gender-responsive budgeting are focused on promoting generally accepted democratic values, namely:

- equality
- improving the position of women and realizing women's rights
- Government's performance measurability
- transparency
- economic capacity
- effectiveness

- Government's responsibility toward citizens (Kožul, M. 2007)

Equality. Regardless of the budget being a gender-neutral political instrument, budget expenses and revenue collection have different effects on men and women. Gender budgeting helps ensure that gender equality becomes a goal.

Improving the position of women and realizing women's rights. Gender budget can also be an indicator of economic management. Gender-responsive budget becomes a benchmark for the implementation of human rights instruments.

Government's performance measurability. Gender-sensitive budgets allow measuring the government's performance and attitude toward its people.

Transparency. Gender budget initiatives create a situation in which financial policy is transparent and more measurable. It is possible to view how the money intended for women is spent in detail. At the same time, it is significant that it provides policymakers with inputs of different priorities of women and men for needs on the budget expenses side. Gender budget analyses make women's work economically visible and show how revenue collection and changes in the tax structure may have a different impact on women compared to men.

Economic capacity. Gender inequality is an economic cost. It slows down economic development, hinders the development of human resources, and reduces general well-being. Ignoring the gender implications of government spending can affect macroeconomic goals.

Effectiveness. Gender budgeting can contribute to increasing the effectiveness of public expenditures by determining the individual needs of specific groups and analyzing how these can be met in the best possible way.

Government's responsibility toward citizens. The process of improving the distribution of goods and services to women, men, girls, and boys in a fair, equal, and responsible manner is an indicator of a responsible Government. Such a government implies participation in the policy-making process to represent the perspectives of different groups of citizens, including women.

These goals are achieved through the following results:

- the principle of gender equality is included as a budget policy
- the impact of public expenditure and revenues on gender equality is substantiated
- the needs of both women and men have been considered
- funds have been redistributed to achieve gender equality goals
- budgetary allocations are aimed at the economic empowerment of women
- budgetary allocations have provided equal opportunities for women and men to participate in all areas of social and economic life and decision-making, and gender statistics and the application of gender budgeting analysis have been improved (Hasečić-Hrelja, Dž. 2015)

Introduction of gender-responsive budgeting

There are international and domestic sources of introducing gender-responsive budgeting. International sources include:

- Convention on the Elimination of All Forms of Discrimination against Women - Gender budgeting is an instrument for implementing international legal obligations arising from recognized international treaties on human rights, including this Convention. Therefore, state budgets should financially reflect the standards and measures for eliminating discrimination and promoting gender equality provided for in this Convention.

- Beijing Declaration and Platform for Action - Governments are ordered to put efforts into a systematic review of the benefits women receive from government spending and adjust budgets to allow equal access to expenditures in the public budget.
- UN Millennium Declaration

Domestic sources of introducing gender-responsive budgeting include:

- The Constitution of the Republic of Serbia – It sets forth the equal opportunity policy as the state's obligation and guarantees the equality of women and men. The Constitution prohibits any discrimination on any grounds, including gender.
- Law on Prohibition of Discrimination
- Law on Gender Equality
- National strategy for improving the position of women and advancing gender equality - In the area of creating systemic prerequisites for the equal opportunity policy in the economy, it envisions the introduction of the gender equality principle in budget planning and execution.
- Action plan for the implementation of the national strategy for gender equality for the 2019 to 2020 period - The introduction of gender budgeting in Government projects envisages organizing training for appropriate state institutions to increase institutional capacity for gender budgeting, restructuring and directing the distribution of government spending in such a way that the economic opportunities of women and their equal access to resources are advanced, establishing gender-sensitive records of budget funds end users at the national, provincial and local levels, as well as analyzing the effects of each type of government spending separately for men and women.
- Poverty reduction strategy - This Strategy's goals include gendering all social and public institutions and the budget.

Incentives for introducing gender-responsive budgeting

The key assumptions necessary for the successful implementation of gender budgeting are as follows:

- political commitment, responsibility, and financial support
- administrative commitment
- statistical data system gendering (Đurić-Kuzmanović, T. 2014.)

Political commitment, responsibility, and financial support. Gender budgeting can achieve its goals only if equal opportunity policy implementation and gender equality promotion is a political priority of the Government. The Government expresses its political commitment to using gender budgeting strategy by raising awareness within political and state structures, distributing competencies, instructions, and training for all participants included in this process, analyzing periodic progress reports, process control and review.

Administrative commitment. Effective gender budgeting implementation requires setting priorities, activities, tasks, plans, and deadlines between state ministries. Their cooperation is mandatory and should refer to training and instructions for implementation, process control and consultation during budgeting, collection of data, resources, methods, and exchange of experiences. Forming a special coordination service within the state administration and the Ministry of Finance for the above tasks is recommended. Effective budgeting also assumes additional analyses and research for which experts outside the state administration can be hired.

Statistical data system gendering. Gendering statistical data is the main prerequisite for their integration into the budget. The increasing coverage of gender-disaggregated personal statistical data and tables in all

areas and the development of instruments for monitoring this process allow more efficient analyses and facilitate budgetary and financial policy transformation in line with gender equality goals.

Important general recommendations that should be kept in mind when implementing the gender budgeting process are the following:

- do not lose sight of the ultimate goal and political perspective in this process
- stronger Government involvement in the process also carries the risk of the Government accepting it without the assumed necessary policy change. Therefore, it is necessary to ensure the monitoring of these activities by actors outside the Government throughout the process
- shift from budget analysis to the implementation and change of the gender budgeting policy to improve gender relations
- strengthen the participatory nature of the process
- develop methods, procedures, and indicators for the application of gender budgeting as a standard instrument in public administration scope of action
- define the type, participants, and criteria of international qualitative control of gender budgeting because not everything that is called gender budgeting is always expedient
- ensure continuity in political will, personnel training, the most comprehensive support, and resources

The prerequisites that facilitate the process of gender-responsive budgeting are as follows:

- the presence of the political will of managers at all government levels to achieve gender-responsive budgeting
- greater participation of women in decision-making
- the presence of a gender perspective in policies at all government levels, which is contributed to by the cooperation of institutional mechanisms and civil society organizations
- the presence of gender-differentiated statistics and gendered record keeping determining gender-specific operational indicators, on the basis of which the effects and effectiveness of budgetary policies in achieving gender equality are measured.

Conclusion

In modern countries, most economic policy instruments are based on the public revenue and expenditure policy. In this way, the budget becomes the main instrument of development and ongoing economic policy. Gender-responsive budgeting is a complex process, the introduction of which raises awareness of how much can be done to improve the lives of both women and men in the community. The obligation imposed on all companies with more than fifty employees to introduce special measures to achieve and advance gender equality is a step that will undoubtedly lead us all to a better quality of life.

With gender-responsive budgeting, the state takes on the role of an entrepreneur tasked with creating a better life for both female and male citizens, with the better position of female and male citizens meaning their higher productivity in the social community. Higher productivity means more taxes, contributions, and duties flowing into the state budget.

The process of our country joining the European Union would also mean more specific state budget reforms. The enormous impact of politics on economic life in the past years, when the individual was subordinate to the state, would have to be the complete opposite. Economic development would ensure a more stable income for the state and a situation where the budget drives economically efficient programs and projects.

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